learned fluent Arabic, served as an Olmsted Scholar in Jordan, served with the United Nations Observer Group Lebanon, and conducted strategic research at Harvard and Stanford Universities. In his generation, there were few officers with this combined set of skills and experiences, and he served as a role model to those who now protect America's interests and fight for security in the Middle East. In the next generation of officers in the years to come, we will need hundreds, if not thousands, more like him.

I am especially pleased that General Abizaid has chosen to return to near where he grew up by making his new civilian residence in my great State of Nevada. General Abizaid has said that after retirement he would like to continue to examine how best to reform the national security apparatus of our Government to better address the ''long war'' that he believes we are fighting against violent extremism, to empower moderates in the region, and to rebuild the power, influence and security of the United States. He has said he may even write a book on these subjects, and I would hope he would do so. He has served the Nation ably and honorably over the last several decades, and while I wish him his fair share of peace, quiet, rest and relaxation not far from the shores of Lake Tahoe, I believe he has years of additional service to the Nation ahead of him. We owe General Abizaid our thanks and our deep gratitude, and I look forward to working with him in his new chapter.

BOB FERRARO RETIREMENT

Mr. REID. Mr. President, I rise today to pay tribute to the longest serving current elected official in southern Nevada, Boulder City, NV—Mayor Robert Stanley ''Bob'' Ferraro. Later this spring, Bob will retire after 31 years of dedicated public service.

For three decades, Bob has been a civic leader, kind neighbor, and level-headed voice in the politically active and dynamic community he has called home since 1970. For 17 years, Bob served on the Boulder City Council. Later, he was elevated to serve the city as its mayor. In 1999, he became the first mayor directly elected by the people of Boulder City. During each campaign, he proudly knocked on every door in town—a feat he accomplished seven times.

During his time in public service, Bob has presided over Boulder City in an era of unprecedented growth, expanding from 7,800 residents in 1976 to more than 15,000 today. The community Bob calls home is one of those unique places in America that has managed to maintain its distinctive identity in the face of massive change. Throughout the last three decades of unparalleled growth in southern Nevada, Bob Ferraro has stood alongside Boulder City residents to fiercely defend limited growth policies that have preserved this special place.

Located just 20 miles from Las Vegas, Boulder City was built by the Bureau of Reclamation during the Great Depression as a housing complex for workers building nearby Hoover Dam. While the original residents flocked to Boulder City seeking opportunity, modern times have seen generations of families choosing to reside in this city on the shore of Lake Mead for its superb quality of life, access to outdoor recreation, and sense of community.

This sense of community can be attributed, in part, to Bob's hard work. As mayor, Bob encouraged the development of parks and recreation areas throughout Boulder City. These parks affect the lives of all residents, young and old. From youth sports leagues to adult recreational programs, Boulder City's park system has allowed all residents to continue to enjoy the smalltown feel that makes this city unique.

Throughout his time serving the Boulder City community, Bob never forgot that he was a part of the community. He is a past President of the Boulder City Rotary Club and was named the 1980 Rotarian of the Year. He also served as president of the Nevada League of Cities in 1985 and was named Nevada Public Official of the Year in 1986.

His leadership, sincerity, and poise will be missed. I am honored to pay tribute to Bob Ferraro as he prepares to complete his distinguished service to Boulder City and Nevada. I wish him and his wife Connie, his three children, and eight grandchildren much happiness for the future. Southern Nevada is truly a better place because of Bob.

NORTHEAST PENNSYLVANIA MEDICARE WAGE INDEX

Mr. SPECTER. Mr. President, for a considerable period of time, there have been a number of counties in Pennsylvania that have been suffering from low Medicare reimbursements, which has caused them great disadvantage in comparison to surrounding areas. I refer specifically to Luzerne, Lackawanna, Wyoming, Lycoming, and Columbia in northeastern Pennsylvania, and there are open disadvantaged counties elsewhere in Pennsylvania. Those counties are surrounded by MSAs, metropolitan statistical areas, with higher Medicare reimbursements in Newark, and New York, to the east; in Allentown to the southeast; and in Harrisburg to the southwest. As a result, a flight of very necessary medical personnel has occurred as northeast Pennsylvania hospitals are not able to provide employees with adequate competitive wages.

Further complicating this issue are the exceptions to the Medicare wage index regulations. Since 1987, exceptions have been created to the wage index program for rural facilities, new facilities, and others. In fact, in 1999, Congress passed legislative reclassifications for specific hospitals to allow selected facilities to move to a new MSA and receive greater Medicare reimbursement. While these reclassifications have improved funding for those hospitals, hospitals that did not receive improved funding are being further disadvantaged.

It has also come to my attention that inpatient rehabilitation facilities are not provided an opportunity to obtain equitable Medicare reimbursement. Inpatient rehabilitation facilities receive adjustments in their Medicare reimbursement due to geographic disadvantages within the Medicare inpatient prospective payment system. This is based on information gathered from other acute care facilities in the MSA, not from their own wage information. Thus, inpatient rehabilitation facilities cannot apply for reclassification to another MSA that reflects their actual labor costs. As such, the facilities are prevented from being eligible for increased funding to assist with wages like acute care facilities, while being forced to compete for employees with those facilities that have had access to increased funding.

I have worked to find a solution to the Medicare wage index disparity in reimbursement for a number of years. During the conference for the fiscal year 2002 Labor, Health and Human Services, and Education Appropriations bill, the conferees agreed that there should be relief for these areas in Pennsylvania that were surrounded by areas with higher MSA ratings. However, at the last minute, there was an objection to including language in the conference report.

To correct this problem I, along with Representatives Sherwood and ENGLISH, brought the matter forward in the fiscal year 2002 supplemental appropriations bill. The language was included in the House version of the bill, and I filed an amendment to Senate bill. During conference negotiations my amendment was defeated and the provisions were not included.

As part of the fiscal year 2004 Labor, Health and Human Services, and Education appropriations bill, $7 million was provided for hospitals in northeast Pennsylvania that continued to be disadvantaged by the Medicare area wage index reclassification. The funding was provided as temporary assistance for those facilities.

During the consideration of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, I met with Finance Committee chairman, CHARLES GRASSLEY, and ranking member MAX BAUCUS about the bill provisions, including the need for a solution to the Medicare area wage index reclassification problem in Pennsylvania. Thereafter, section 508 was included in the bill, which provides $300 million per year for 3 years to increase funding for hospitals nationally to be reclassified to locations with higher Medicare reimbursement rates. The temporary program, which began in April 2004 and

was scheduled to expire March 31, 2007, has and will provide Pennsylvania hospitals $69 million over that time, or $23 million per year.

On September 29, 2006, I introduced the Hospital Payment Improvement and Equity Act to extend the section 508 Medicare wage index program for 3 more years until March 31, 2010. This legislation would have also expanded the eligibility of the program to include inpatient rehabilitation facilities and facilities that qualified for the program but did not receive assistance due to inadequate funding.

As part of the Tax Relief and Health Care Act, which was signed into law on December 20, 2006, an extension of the section 508 Medicare wage index program was included. This will provide 14 Pennsylvania hospitals an additional $18.4 million for 6 more months until September 30, 2007.

On February 21, 2007, I visited Moses Taylor Hospital in Scranton, PA, and met with representatives of northeast Pennsylvania hospitals affected by this issue. I went over with them the situation that had occurred and asked that they submit memoranda or letters outlining their hospitals' extreme plight, which I could then share with my colleagues in the Senate and have printed in the CONGRESSIONAL RECORD for everyone to see.

A letter prepared by Harold Anderson, president & CEO of Moses Taylor Hospital, Scranton, PA, pointed out the following:

Health care facilities in our area are especially disadvantaged in that we must compete for specialized, skilled health care labor in a geographic market that includes easy access to Philadelphia, Allentown, and Stroudsburg, three geographic areas in which the Wage Index reimbursement for acute care hospitals is higher than that found in NEPA [Northeast Pennsylvania].

He goes on to write:

Considering the relative scarcity and high demand for a highly skilled work force, such as nurses, pharmacists, imaging technologists, etc., the out-migration to the adjacent MSAs is further exacerbated in that NEPA hospitals are forced to pay higher salary and wage rates, which are not fully compensated by the Medicare reimbursements. As just one example, the starting salary for Registered Nurses has increased by more than 18% over the past three years.

Regis Cabonor, president & CEO of Bloomsburg Hospital, Bloomsburg, PA, wrote on February 26 as follows:

The significant volume of services provided to Medicare beneficiaries renders the Hospital largely dependant upon Medicare reimbursement to cover the cost of direct patient care. . .

He also states:

Without the additional reimbursement provided by this [508 wage index] reclassification, our hospital would not be able to attract and retain qualified clinical staff, forcing staff and our patients to travel to the next closest facility for work and care.

Similar concerns were expressed in a memorandum from Jim May, president & CEO of Mercy Health Partners, Scranton, PA, pointing out that:

The 508 reclass funding has enhanced our ability to compete with our adjacent CBSA's [Core-Based Statistical Area] for registered nurses, technicians, and other medical professionals. Over a three year span we have reduced our registered nurse vacancy rate from 12.2% to 4.5%. Significantly, we have cut our spending for contract agency nurses in half. We believe that reducing those expenses has contributed toward improved care management and quality for our patients.

Mary Theresa Vautrinot, President & CEO of Marian Community Hospital, Carbondale, PA, noted that Marian Community Hospital is the largest employer in the Carbondale area. The hospital serves a large Medicare population who would have difficulty accessing health care if not for the hospital, which struggles to find physicians to staff the facility. She notes that, without the 508 wage index funding, the hospital may not be financially viable.

Similar concerns were noted by the Community Medical Center Healthcare System of Scranton, PA. John Nillson, interim president and CEO, stated in his letter that:

The dramatic differential in Medicare payments between our MSA and the surrounding MSA's will continue to have a negative impact. . .

Further:

. . . the nursing shortage has intensified and when combined with other skilled labor shortages, has resulted in a highly competitive environment for these skilled caregivers. As a result, it remains difficult to recruit and retain healthcare professionals.

John Wiercinski, chief administrative officer, Geisinger South Wilkes-Barre, Wilkes-Barre, PA, and Lissa Bryan-Smith, chief administrative office, Geisinger Wyoming Valley, Wilkes-Barre, PA, noted that:

Due in large part to the Section 508 legislation, nurse vacancy rates have decreased significantly at both hospitals.

James Edwards, president & CEO, of the Greater Hazelton Health Alliance, which is made up by Hazelton General Hospital and Hazelton—St. Joseph Medical Center, Hazelton, PA, submitted a memorandum that similarly states:

The monies received through the Section 508 reclassification played a major part in the successful turnaround of our health care system, assuring our community that quality health care services will be available to meet their health needs.

The Wyoming Valley Health Care System, in a letter from president and CEO, Dr. William Host, points out the problems in retaining registered nurses:

Prior to [the Section 508 wage index program], the discrepancy between our reimbursement by Medicare and that of surrounding MSA's was having disastrous effects. Nurses, technologists of all sorts, nurse anesthetists and pharmacists were abandoning northeastern Pennsylvania in droves. Vacancies in these areas were running 14% to 20% and this created a serious threat to quality of care and access.

Raoul Walsh, president & CEO, Tyler Memorial Hospital in Tunkhannock, PA, sent a memorandum that shared this concern:

If the Section 508 was removed or reduced, the hospital would be forced to eliminate or reduce clinical services . . .

James Brady, president of Allied Services, of Clarks Summit, PA, an inpatient rehabilitation facility which did not qualify under the section 508 wage index program, shared that as a result of not receiving funding they have been forced to employ international nurses to fill 13 of the 30 open nursing positions.

Neal Bisno, secretary treasurer, Service Employees International Union, district 1199P, which has a number of northeast Pennsylvania hospital employees as members, addressed the issue from the workforce perspective, stating:

A permanent solution is needed [to the Medicare wage index program problems] in order to maintain a stable, well-trained health care work force in area hospitals and guarantee continued access to quality health care services in Wilkes Barre/Scranton region.

Denise Cesare, president & CEO, Blue Cross of Northeastern Pennsylvania, in a memorandum dated February 26, 2007, notes:

Due to their current Medicare Wage Index classification, hospitals in the northeast and north central regions receive disproportionately lower reimbursements when compared to similar hospitals that compete with them for services and staff. This reimbursement imbalance drains trained clinical staff, primarily nurses, from the local delivery systems. Our system continues to suffer and decline as medical professionals move to hospitals in neighboring locales because higher Medicare Wage Indexes allow these regions to pay higher salaries.

On February 24, 2007, the Scranton Times-Tribune published an editorial regarding this issue in northeast Pennsylvania. The editorial posited that northeast Pennsylvania hospitals are in critical need of reform to the Medicare wage index system to end this cycle and cogently captures the issue:

Wage rates at regional hospitals are lower than those for large metropolitan areas, resulting in lower Medicare reimbursements, resulting in the inability of many hospitals to significantly increase wages, resulting in lower reimbursements . . . and on it goes.

Congressional action is needed to reform the Mediare wage index system and provide a fair reimbursement for hospitals. MedPAC, the Medicare Payment Advisory Commission, is scheduled to release a report in late June, 2007 that will offer recommendations on reforming the wage index system. I encourage Finance Chairman BAUCUS and Ranking Member GRASSLEY to examine these recommendations and move forward with improvements to this system in an expedited fashion. Northeast Pennsylvania hospitals are in great financial distress. They deserve fair treatment.

Mr. President, I ask unanimous consent that these memoranda, letters, and editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOSES TAYLOR HOSPITAL,
Scranton, PA, February 22, 2007.

Senator ARLEN SPECTER,
310 Spruce Street, Suite 201,
Scranton, PA.

DEAR SENATOR SPECTER: The Section 508 funding which Moses Taylor Hospital currently receives amounts to $3.3M in Medicare revenues each year. Given the fact that this funding is scheduled to expire on September 30th, 2007, the loss of the appropriated funds would be devastating not only to Moses Taylor Hospital, but to all of the similarly situated, acute care facilities in Northeastern Pennsylvania. Health care facilities in our area are especially disadvantaged in that we must compete for specialized, skilled health care labor in a geographic market that includes easy access to Philadelphia, Allentown, and Stroudsburg, three geographic areas in which the Wage Index reimbursement for acute care hospitals is higher than that found in NEPA.

The original Medicare Wage Index mechanism assumed that highly skilled health care workers would somehow remain in the geographic area most closely located to the acute care facility in which they would work. However, intensive media advertising campaigns, targeted personnel recruitment initiatives, and an excellent interstate highway and turnpike system make it much easier for personnel to travel to the adjacent MSAs in which acute care hospitals receive higher Medicare Wage Index payments and can, therefore, afford to pay higher salaries and wages. [Considering the relative scarcity and high demand for a highly skilled work force, such as nurses, pharmacists, imaging technologists, etc., the out-migration to the adjacent MSAs is further exacerbated in that NEPA hospitals are forced to pay higher salary and wage rates, which are not fully compensated by the Medicare reimbursements. As just one example, the starting salary for Registered Nurses has increased by more than 18% over the past three years.]

The lower Medicare reimbursements ultimately impact hospital capital expenditures since the facilities are unable to generate appropriate capital reserves to acquire advanced medical technology and upgrade physical plants. This inability to invest in buildings and equipment has the additional, unfortunate consequence of causing area residents to seek care in adjacent MSAs, often at great expense and logistical difficulties to patients and their families.

We certainly hope that the Federal Government will devise a means to address the inadequate wage component of Medicare reimbursements in the long term; however, we urge the extension of the Section 508 adjustments beyond the end of September 2007. Thank you for your continued effort and support regarding this important issue.

Sincerely,

HAROLD E. ANDERSON,
President & CEO.

BLOOMSBURG HOSPITAL,
Bloomsburg, PA, February 26, 2007.

The Bloomsburg Hospital (the ''Hospital'') is a 52-bed acute care and 20-bed psychiatric care hospital located in Columbia County, Pennsylvania. The Hospital provides healthcare services primarily to patients in Columbia and Montour counties and surrounding communities. The Hospital registers approximately 85,000 patients annually for medical care.

The geographic region served by the Hospital has had an average population over 65 years of age of approximately 16% since 1996, as reported by the Pennsylvania State Department of Health. This population is slightly higher than the statewide average of 15.2%. The over 65 population is treated by the Hospital primarily as Medicare beneficiaries.

Currently, Medicare beneficiaries account for 25% of total Hospital volumes and 31% of total payments for services. The Medicare population is the single largest payor population of the Hospital.

The significant volume of services provided to Medicare beneficiaries renders the Hospital largely dependent upon Medicare reimbursement to cover the cost of direct patient care as well as to defray the ever increasing costs of utilities, professional liability, information technology, facility upgrades and other technology expenditures. All of these expenditures are necessary to continue to provide adequate patient care in a rapidly advancing industry.

During fiscal year ended June 30, 2006, the Bloomsburg Hospital received approximately $663,000 in additional payments from the Medicare program as a result of the temporary reclassification of Wilkes-Barre/Scranton Area hospitals MSA. Should the reclassification not be extended or made permanent, the Hospital would lose this reimbursement.

It is important to note that the largest competitor to our hospital is located only 12 miles from our facility. That hospital is located in Montour County and is therefore included in the Harrisburg MSA (whose reimbursement rates from the Medicare program are consistent with the current rates paid to our hospital since the reclassification). The temporary reclassification of our hospital allowed us to compensate our clinical employees commensurate with our competitor.

Without the additional reimbursement provided by this reclassification, our hospital would not be able to attract and retain qualified clinical staff, forcing staff and our patients to travel to the next closest facility for work and care. While this is easily commutable for clinical workers seeking higher wages for comparable work, the same commute is not as manageable for elderly or sickly patients.

Without adequate qualified staff to provide medical care at our community hospital, we will be forcing patients to travel further for their care.

Sincerely,

REGIS P. CABONOR,
President and CEO.

MERCY HEALTH PARTNERS,
February 26, 2007.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: Thank you for recognizing the severe economic situation that healthcare providers face in Northeastern Pennsylvania and for your tireless efforts in securing the original 508 reclassification and our most current six month extension. I also wanted to offer high praise to your staff, including John Myers and Andy Wallace, for their willingness to work on behalf of the region's hospitals and the thousands of patients they serve.

During last week's meeting, you requested specific information about the impact of our reclass. Mercy Hospital in Scranton would lose approximately $6.2 million in the next fiscal year without the ability to maintain our reclass to the Allentown-Bethlehem-Easton, PA-NJ Core-Based Statistical Area (CBSA). In short, the reclass funding has moved us from losing money to breaking even. Prior to the original 508 reclass, we experienced negative operating margins every year from fiscal year 2000 through 2003. Since 2004, our average operating margin is 0.42%. The loss 508 funding would result in an overall CY2006 operating loss of −5.14 percent.

The 508 reclass funding has enhanced our ability to compete with our adjacent CBSA's for registered nurses, technicians, and other medical professionals. Over a three year span we have reduced our registered nurse vacancy rate from 12.2% to 4.5%. Significantly, we have cut our spending for contract agency nurses in half. We believe that reducing those expenses has contributed toward improved care management and quality for our patients.

We are very proud that since the 508 reclass we have consistently placed in the top 10 percent of hospitals nationwide for the twenty-one quality measures set by the United States Department of Health and Human Services. We performed at the 96th percentile on the nationally recognized HHS quality measures in 2006.

In addition, we are one of 27 hospitals nationally recognized by Solucient as a top 100 hospitals for cardiovascular care in the past three consecutive years. Furthermore, Mercy is one of 3 Pennsylvania hospitals certified in both cardiovascular and pulmonary rehabilitation by the American Association of Cardiovascular and Pulmonary Rehabilitation.

We believe that you agree that our mission demands delivering world-class care to our community. Elimination of the 508 funding would force us to consider staff and service reductions to cope with the substantial loss of revenue.

On behalf of our patients, our community, our employees and our physicians, Mercy implores the honorable members of the United States Congress to move towards fair and permanent reforms of the Medicare wage index and extend the 508 reclassification until these reforms take effect. Please contact me at (570) 348–7012 if I can provide further information or be of service.

Sincerely,

JAMES E. MAY,
President and Chief Executive Officer.

FEBRUARY 26, 2007.

Senator ARLEN SPECTER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR SPECTER: Thank you and your staff, including John Myers and Andy Wallace, for your continued support of the Section 508 Wage Index reclassification for the hospitals in Northeastern Pennsylvania. This issue is paramount to the survival of Marian Community Hospital and the Maxis Health System.

Marian Community Hospital is a 104-bed acute care hospital located in Carbondale, Lackawanna County, Pennsylvania. The Hospital is the largest component of the Maxis Health System. With its 470 employees, Marian Community is the largest employer in the Greater Carbondale Area, contributing $15,000,000 annually to the local economy. Our hospital serves a predominantly Medicare and Medical Assistance population who would have considerable difficulty accessing healthcare if this hospital were not here. Because of Carbondale's proximity to Scranton (we are located 20 miles north of Scranton) and its three large hospitals, we continually encountered significant difficulty recruiting key health care professionals such as nurses and technologists. Because of our relatively small size, and location, we also struggle to attract physicians to practice here.

The Section 508 reclass has added approximately $1 million to Marian Community Hospital's annual Medicare reimbursement. These funds have allowed us to compete with the other larger hospitals to attract critical staff because we are able to offer more competitive salaries than would be possible absent the 508 reclassification. In addition, we have been able to recruit much needed physicians to the area. While $1 million does not

appear to be a significant amount of money to many hospitals, it represents 3% of our annual net revenue from all sources and 8% of our total annual Medicare payments.

In 2006, Marian Community Hospital initiated an aggressive restructuring plan to return the organization to profitability. Although this is a difficult task, we are making progress. If we lose the funds provided through the Section 508 reclassification, it would be necessary for the hospital to take drastic steps to remain financially viable, such as cutting services or significantly reducing our staff. The results of losing the 508 classification would have a detrimental impact on the patients we serve and the community in which we operate.

Your efforts to extend the Section 508 reclassification and to find an equitable solution to the wage index issue are greatly appreciated.

Sincerely,

MARY THERESA VAUTRINOT,
President and Chief Executive Officer,
Maxis Health System.

COMMUNITY MEDICAL CENTER
HEALTHCARE SYSTEM,
Scranton, PA, February 23, 2007.

Hon. ARLEN SPECTER,
U.S. Senate,
Washington, DC.

DEAR SENATOR SPECTER: I am writing to you today relative to the Wage Index. I strongly support your initiative to maintain the Medicare Wage Index reclassification of the hospitals located in Lackawanna County to the Newburgh, NY–PA MSA for the purposes of calculating reimbursement. As Interim President and CEO of Community Medical Center Healthcare System, this critical issue still remains at the forefront of Healthcare in Northeastern Pennsylvania, and I encourage you to continue your efforts of working to find a permanent solution.

The dramatic differential in Medicare payments between our MSA and the surrounding MSA's will continue to have a negative impact on our healthcare infrastructure if this temporary fix is not extended. The financial impact for CMC is projected to be $5.6 million for Fiscal Year 2008. As you are aware, the nursing shortage has intensified and when combined with other skilled labor shortages, has resulted in a highly competitive environment for these skilled caregivers. As a result, it remains difficult to recruit and retain healthcare professionals.

Since healthcare represents a major capital asset, the failure to maintain the temporary fix would have a significantly adverse effect on every member of our community. Recognizing this potential crisis and continuing the wage index would go a long way toward assuring that northeastern Pennsylvania will have healthcare resources available.

Thank you for your consideration. I ask for your continuing support and attention to this matter.

Sincerely,

JOHN NILSSON,
Interim President and CEO.

MEMO

Date: February 27, 2007.
To: Senator ARLEN SPECTER.
From: John Wiercinski and Lissa Bryan-Smith.
Re Medicare Wage Index/Section 508.

Sen. SPECTER—Thank you very much for your recent visit to Northeastern Pennsylvania and your continued interest in and support of the Medicare Wage Index/Section 508 legislation.

The continuation of this important legislation—and a permanent fix to the Medicare Wage Index for Northeastern Pennsylvania hospitals—is imperative not only to Geisinger South Wilkes-Barre Hospital and Geisinger Wyoming Valley Medical Center, but also to the people we serve.

The positive financial impact to both Geisinger hospitals in the Wilkes-Barre area is approximately $8 million. Above all, these dollars allow Geisinger to continue to invest in our workforce so we can effectively recruit and retain the best and the brightest healthcare professionals and keep them here in our community caring for patients. Due in large part to the Section 508 legislation, nurse vacancy rates have decreased significantly at both hospitals.

The Section 508 funding also helps to ensure that our employees at Geisinger South Wilkes-Barre and Geisinger Wyoming Valley are able to utilize the latest technological advances; for example, 64 Slice CT Scanning, Stereotactic Linear Accelerators and Computer Assisted Surgical Equipment.

As major employers, hospitals have a significant impact on the local economy. Studies have shown that every dollar of expenditures by hospitals results in approximately two dollars of additional spending to local businesses. This positive economic impact is important for everyone in our area.

Thank you, again, Senator Specter, for your support.

GREATER HAZLETON HEALTH ALLIANCE, HAZLETON GENERAL HOSPITAL, HAZLETON-SAINT JOSEPH MEDICAL CENTER.

In March 2004, the Greater Hazleton Health Alliance (GHHA) and its affiliated hospitals (Hazleton General Hospital and Hazleton-Saint Joseph Medical Center) were notified of their three-year temporary reclassification into the Lancaster MSA. This reclassification could not have come at a better time, bringing in approximately $3 million per year between April 2004 and March 2007, and having a major impact on health care in Hazleton, Pennsylvania, and the surrounding communities. Without this reclassification, GHHA hospitals were headed to possible bankruptcy or sale.

The monies received through the Section 508 reclassification played a major part in the successful turnaround of our health care system, assuring our community that quality health care services will be available to meet their health needs.

As background, in 1996, Hazleton's two hospitals, Hazleton General Hospital (HGH) and Hazleton-Saint Joseph Medical Center (HSJ), reached a management agreement that formed the Greater Hazleton Health Alliance, an effort to expand the offerings of area health care as well as to carefully steward community healthcare resources.

Some initial savings were created through the formation of the Alliance and local decision-making became far more coordinated. However, with downward pressure on reimbursement and intensified competitive pressure locally, as well as from neighboring regions, GHHA began facing significant strain in 2003. As such:

Financial performance of both hospitals had deteriorated significantly eroding cash reserves. On a combined basis, operating losses were approximately $3.3 million in 2002; $6.2 million in 2003; and $2.3 million in 2004.

Important capital investments in facilities, equipment and information technology had not been made in nearly a decade.

Physician relationships were badly suffering. A loss of confidence and trust in leadership, as well as a growing perception that the quality of hospital care was deteriorating, were causing the local medical community to begin withdrawing public support and patient referrals.

Negative public perceptions of GHHA were increasing in Hazleton and the surrounding region.

Staff were accepting positions in surrounding communities, in other MSAs with higher wage indices. HGH is only two miles away from an MSA with significantly higher wage indices.

Employee morale was at an all-time low and union negotiations had become contentious.

In fall 2003, the Board of GHHA made a tough decision to seek the help of outside experts to assist with stabilization and turnaround and to advise the organization on long-term strategic positioning. A three-year Financial Recovery and Turnaround Plan was developed. Had it not been for the additional monies received as a result of the MSA reclassification, GHHA may not have been able to successfully effect a financial turnaround.

Below are just some of the GHHA's accomplishments since 2004.

Implementation of a new business model that resulted in a financial turnaround allowing us to be profitable for the last two years.

Adjustments of pay scales to market rates making GHHA hospitals competitive in recruitment and retention of highly qualified staff with surrounding communities in other MSAs.

Made strategic capital investments in equipment and physical plant approximating $18,000,000 including: expansion of HGH's physical plant to include an annex building to house non-clinical services allowing for expansion of the hospital's first floor; renovation of most of the first floor including expansion of the surgical suite/recovery unit and doubling the size of the emergency department; development of a brand new short procedure unit and a new step-down unit; renovation to the endoscopy unit and patient floors.

Investment in new state-of-the-art equipment and technology. A $3–$4 million project is currently underway to replace our entire information system, preparing us for the electronic medical record.

Consolidation of inpatient beds and Emergency Services at HGH to reduce duplicative operating and capital costs.

Surrender of the HSJ acute care license.

Commitment to deliver outstanding customer service and expansion of our quality improvement program. Patient safety and clinical care initiatives were implemented, a high-quality professional radiology group was retained, and a relationship was formed with Lehigh Valley Medical Center, a tertiary center in Allentown, Pennsylvania, to staff our Emergency Department with quality, emergency credentialed physicians.

Increased volumes by enhancing quality and expanding community outreach, initiating a staffing productivity program, and holding the line on expenses.

The hard work and collaboration of the GHHA management team brought about a renewed energy and positive momentum that continue today. The financial picture of the organization has changed dramatically, thanks in large part to the temporary reclassification to the Lancaster MSA. However, should GHHA have to revert back to the Wilkes-Barre/Scranton MSA as is now set for October 2007, the resulting financial loss of $3 million per year would, without question, hamper our ability to recruit and retain quality health professionals and continue in our quality improvement and turnaround processes. The real losers would be the communities we serve.

JAMES D. EDWARDS,
President/CEO.

WYOMING VALLEY
HEALTH CARE SYSTEM,
February 28, 2007.

Hon. ARLEN SPECTER,
U.S. Senate,
Washington, DC.

DEAR SENATOR SPECTER: Your unrelenting attention to the Medicare Wage index issue confronting northeastern Pennsylvania is deeply appreciated by the Wyoming Valley Healthcare System, its 3200 associates and the disproportionately blue collar Medicare population we serve. Due in great measure to your efforts, Section 508 of the Medicare D legislation temporarily re-classified our MSA to the Lehigh Valley. Prior to that event, the discrepancy between our reimbursement by Medicare and that of surrounding MSA's was having disastrous effects. Nurses, technologists of all sorts, nurse anesthetists and pharmacists were abandoning northeastern Pennsylvania in droves. Vacancies in these areas were running 14% to 20% and this created a serious threat to quality of care and access. The negative impact on the regional economy was another serious matter.

After the temporary repair, changes were dramatic. All the institutions spent the money as intended—90% to improve employee wages and benefits and 10% for capital equipment they need to do their work with quality and efficiency. Vacancies are now down to 1–2%. Morale is greatly improved while quality of care and access are preserved.

We are now faced with a deadline of September 30, 2007 to achieve either another extension or a permanent repair. Failure to do so will mean a loss of $8.5 million to WVHCS, a serious decrease in our ability sustain access, a threat to quality of care, a serious departure from our 135 year history of bringing the best in personnel and technology to bear on the health of citizens in our region, and all the associated adverse effects on our economy.

Thank you, Senator, for all your past and current efforts. If there is anything we can do to enhance your prospects of success in this matter, please do not hesitate to communicate that to us.

Sincerely and respectfully,

WILLIAM R. HOST,
President and CEO.

TYLER MEMORIAL HOSPITAL,
Tunkhannock, PA, February 28, 2007.

To: Senator ARLEN SPECTER.
Re Section 508.

DEAR SENATOR: Thank you for providing Tyler Memorial Hospital the opportunity to comment on losing Section 508 reimbursement.

Tyler is a rural hospital that necessitates every Medicare reimbursement to fulfill its community mission. The Hospital consists largely of a Medicare and Medicaid population supporting the infrastructure. The hospital would lose approximately $400,000 on a hospital budget of nearly $26,000,000. If the Medicare Section 508 was removed or reduced, the hospital would be forced to eliminate or reduce clinical services, forego salary increases for a period, or some combination thereof to create a solution.

Please note that Tyler is 28 miles from Scranton and Wilkes-Barre with less than ideal driving arrangements. Elderly patients don't like to travel great distances for routine care and they may have to if this comes to pass.

Sincerely,

RAOUL M. WALSH,
President/CEO.

ALLIED SERVICES,
Clarks Summit, PA, February 26, 2007.

Senator ARLEN SPECTER,
Hart Building,
Washington, DC.

DEAR SENATOR SPECTER: per your request, the following is the effect on Allied Services who did not get its wage index adjusted. I thought we would be a good resource for what could have happened to all the acute care hospitals if they did not get the wage index adjustment. Perhaps our data will be useful in demonstrating how important the adjustment is to our health care region.

These numbers are the totals for the approximate 3½ year period.

Additional Wage Index Revenue Not Received—$16 million.

Over and beyond expenses normally needed for recruitment and filling vacancies: Contract Labor—$3.5 million; Recruitment—$1 million; Advertising— $1.5 million; Sign-on Bonus—$1 million; Overtime—$1.5 million.

Total additional expenses—$8.5 million.

Total effect of not getting wage index adjustment on Allied was $24.5 million.

The wage index affects all employees but this is our nursing staff data. Allied Services had 23 position openings 3½ years ago. Today we have 17 openings but would have 30 if we did not recruit 13 nurses from the Republic of the Philippines.

I hope this data helps to support the need for the wage index adjustment.

Sincerely,

JAMES L. BRADY,
President.

SERVICE EMPLOYEES INTERNATIONAL
UNION, PENNSYLVANIA'S HEALTH
CARE UNION,
March 2, 2007.

Senator ARLEN SPECTER,
U.S. Senate,
Washington, DC.

DEAR SENATOR SPECTER: Thank you for your willingness to work on behalf of the region's hospitals, hospital employees and the thousands of area patients. We appreciate your efforts in securing the original 508 reclassification and our most current six-month extension.

In our region and across the country, at a time when more patients are struggling to access the health care they need, nurses—the central providers of that care—are leaving the bedside in large numbers as a result of poor working conditions and low wages. However, a recent study published by the Institute for Women's Policy Research, ''Solving the Nursing Shortage through Higher Wages'' found that increasing pay for nurses is a direct way to draw both currently qualified and aspiring nurses to hospital employment. Hospitals that offer higher wages are able to attract more nurses, leading to more adequate staffing and improved patient care.

As you know, our area hospitals operate with restricted budgets, low operating margin and financial instability. Our hospitals in the Wilkes-Barre/Scranton area are heavily dependent on Medicare. Yet, we have found that the temporary reclassification, access to more appropriate Medicare reimbursements, has had direct impact on region's health care workforce. Area nurses and hospital workers have shared in the benefits of increased Medicare funding. For example, in their most recent contract settled in late 2005, SEIU 1199P RNs at Geisinger South Wilkes-Barre (formerly Mercy Hospital Wilkes-Barre) increased wages an average of 13% in the first year of the contract and 31% by 2010. SEIU 1199P RNs at Geisinger Wyoming Valley Medical Center in Wilkes-Barre negotiated comparable wage rates in their negotiations in January 2006. We directly attribute these advances to two factors: the improve Medicare reimbursement and high union density in the Wilkes-Barre market. Area nurses used their collective bargaining strength to hold hospitals accountable to investing the additional reimbursements into increasing nurse wages. These increased wages not only significantly enhancing nurse retention and recruitment but also improve the quality of care at area hospitals.

While section 508 was tremendously helpful to our area hospitals, currently this assistance is temporary. Section 508 reclassified our hospitals for only three years. Without congressional action to extend section 508, these reclassifications will expire in March 2007. A permanent solution is needed in order to maintain a stable, well-trained health care workforce in area hospitals and guarantee continued access to quality health care services in Wilkes Barre/Scranton region. Retaining and strengthening the ranks of a qualified, dedicated professional health care workforce is essential to strengthening our region's health care system.

On behalf of our members, our families and the patients we serve, SEIU District 1199P urges the United States Congress to move toward fair and permanent reforms of the Medicare wage index and extend the 508 reclassification until these reforms take effect. Please contact me at (717) 238–3030, ext. 1020 if I can provide further information or be of service.

Sincerely,

NEAL BISNO,
Secretary Treasurer.

BLUECROSS OF
NORTHEASTERN PENNSYLVANIA,
Wilkes-Barre, PA, February 26, 2007.

HON. ARLEN SPECTER: The following is submitted on behalf of Blue Cross of Northeastern Pennsylvania (BCNEPA) in support of our hospital partners throughout the northeast and north central regions as we collectively strive to address the impacts of Medicare Wage Index funding shortfalls.

Across Pennsylvania, hospitals have been struggling to achieve positive results for many years. Although we have seen some positive changes in our region in recent years in terms of financial results, the situation remains critical as evidenced by the following:

Only 9 of the 22 hospitals in our region had a positive 3 Year Average Total Margin.

Of the 9, only 4 hospitals had a 3 Year Average Total Margin of 4 percent or greater, which is commonly accepted as an industry benchmark for acceptable performance.

In Lackawanna and Luzerne Counties, only 1 hospital had a positive 3 Year Average Total Margin and that margin was less than 4 percent.

Hospitals in our region are heavily dependent on Medicare. In aggregate, approximately 44 percent of our regional hospitals' revenue comes from Medicare. In Lackawanna and Luzerne Counties, 48 percent of the hospitals' revenue comes from Medicare. The hospitals' next closest payer to Medicare is the Blues at 23 percent. As the second largest payer in our region, BCNEPA—and unfortunately our ratepayers—will continue to be negatively affected as Medicare reimbursement falls short.

The overall financial struggle for hospitals in our region, coupled with the high rate of Medicare dependency, make the current Medicare Wage Index situation a critical one for our facilities. Due to their current Medicare Wage Index classification, hospitals in the northeast and north central regions receive disproportionately lower reimbursements when compared to similar hospitals that compete with them for services and staff. This reimbursement imbalance drains

trained clinical staff, primarily nurses, from the local delivery systems. Our system continues to suffer and decline as medical professionals move to hospitals in neighboring locales because higher Medicare Wage Indexes allow these regions to pay higher salaries.

Our region has been fortunate, through the leadership of Senator Arlen Specter and others, to have benefited from temporary Section 508 funding adjustments over the past several years. These adjustments have been a temporary yet critical funding source for our area hospitals. The loss of these funds will represent at least a $35 million financial loss for area facilities, a loss that cannot be absorbed by commercial insurers and their customers.

We are therefore asking for consideration of a more permanent solution to the current calculation of Medicare Wage Index reimbursement for facilities in the northeast and north central regions of Pennsylvania.

DENISE S. CESARE,
President and CEO.

[From the Scranton Times Tribune, Feb. 24, 2007]

RESOLVE FUNDING FOR QUALITY CARE

Hospitals in Northeastern Pennsylvania face the same economic pressures as hospitals everywhere else—and then some. Here, hospitals also face a vicious cycle involving Medicare funding that threatens the financial well-being of regional hospitals and, therefore, access to quality health care for hundreds of thousands of regional residents.

Wage rates at regional hospitals are lower than those for larger metropolitan areas, resulting in lower Medicare reimbursements, resulting in the inability of many hospitals to significantly increase wages, resulting in lower reimbursements . . . and on it goes. The low reimbursement issue is particularly difficult for hospitals in this region because the relatively high average age here means that regional hospitals have a higher percentage of Medicare patients than do hospitals in other parts of the country. Thus, they treat more Medicare patients for less money.

Since 2004, the hospitals have done somewhat better because of a temporary fix authorized by Congress, under which indexes from nearby metropolitan areas have been applied to the regional hospitals. That measure is due to expire in June and, without an extension, 13 regional hospitals will return to the standard reimbursement formula and lose $35 million a year.

According to several local hospital administrators who met with Sen. Arlen Specter on the issue this week, they have been able to reduce nursing shortages through better pay and otherwise shore up their operations since Congress' action in 2004.

Nationwide, about 80 hospitals are in the same position as those in Northeastern Pennsylvania. Mr. Specter and Sen. Bob Casey, along with Reps. Paul Kanjorski and Chris Carney, should work with their colleagues from the other regions with unrealistic reimbursement rates, in order to permanently set fair rates that ensure access to quality care.

HONORING OUR ARMED FORCES

STAFF SERGEANT DUSTIN GOULD

Mr. SALAZAR. Mr. President, I wish to take a moment of the Senate's time to remember a Coloradan who was lost to us in Iraq last week. Marine Corps SSgt Dustin Michael Gould—7th Engineer Support Battalion, 1st Marine Logistics Group, I Marine Expeditionary Force—was in his fourth tour in Iraq when he was taken from this life, at the age of 28.

Sergeant Gould was a unique man, with a unique job in Iraq: he was an explosives ordnance demolition technician—a marine who disarmed bombs. In a country whose fabric is strained almost daily with bomb attacks, Sergeant Gould was there to help prevent them, literally working to defuse violence that threatened his fellow marines and Iraqis alike.

Dustin Gould grew up in several towns in Colorado and attended Berthoud High School in Longmont, which he graduated in 1997. He chose to serve his Nation in the Marine Corps because of their elite status.

During his service to this Nation, the Marine Corps estimates that Staff Sergeant Gould neutralized more than a million pounds of explosives, explosives that could have killed untold numbers of marines. Every time Dustin Gould went to work, he saved lives. That, truly, is the definition of heroism.

With all of this talk of military service, we should not lose sight of the man. Dustin Gould loved the outdoors and spent his spare time as a young man there with his father. He was respectful and thoughtful, a natural leader who never hesitated to lend a hand to a friend in need.

GEN Douglas MacArthur once said, ''The soldier, above all other people, prays for peace, for he must suffer and bear the deepest wounds and scars of war.'' Dustin's father David said that Dustin did not relish conflict but was serving his Nation because a higher calling, protecting our freedom and way of life, compelled him to act. He did not seek praise or recognition but instead accomplished his job with humility and courage and in doing so helped others do the same.

In the midst of America's Civil War, President Abraham Lincoln wrote to the mother of a Union soldier, ''I pray that our Heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours, to have laid so costly a sacrifice upon the altar of Freedom.'' We pray now for Dustin, for his wife Elizabeth, and for his whole family. The wounds they suffer from the loss of Dustin are deep and painful, and we as a Nation honor their and Dustin's humbling sacrifice by never forgetting this fine young man.

SPECIALIST BLAKE HARRIS

Mr. President, I ask the Senate to turn its attention to the loss of a Coloradan in Iraq, Army SPC Blake Harris, of Pueblo, CO. SPC Harris was in the Army's 1st Squadron, 12th Cavalry Regiment, 3rd Brigade, 1st Cavalry Division. He was only 22 years old, and will be laid to rest later this week.

Pueblo, CO, is known as the ''Home of Heroes.'' Pueblo hosts National Medal of Honor Day and has had as many as four living Medal of Honor recipients living in the community. In 1953, President Eisenhower joked to recipient Raymond G. ''Jerry'' Murphy, ''What is it . . . Something in the water out there in Pueblo? All you guys turn out to be heroes.''

President Eisenhower was not far off. There is something special in Pueblo—the brave sons and daughters, like Blake Harris, that have answered the call to service for this Nation and those that have given up their lives for the cause of freedom. They are heroes.

Unfortunately, we cannot bring back the heroes like Blake Harris. And, like so many of our Nation's soldiers that have made this ultimate sacrifice, Blake Harris was man of great courage and character who had his entire life ahead of him.

Blake met his wife Joanna at South High School, and while Blake was in Iraq they kept in contact every day. He graduated from South High in 2002 after spending 3 years in ROTC , and he followed in his father's footsteps by enlisting in the Army. He was in his second tour in Iraq and was stationed in Baghdad. Specialist Harris loved his job and was looking to become a career soldier, a man who dedicated his life to the service of his country.

After the assassination of American civil rights pioneer the Reverend Dr. Martin Luther King, Jr., Senator Robert Kennedy reflected upon the words of the Greek poet Aeschylus: ''Even in our sleep, pain which cannot forget falls drop by drop upon the heart, until, in our own despair, against our will, comes wisdom through the awful grace of God.''

To his wife Joanna and their son Jonah and Blake's parents John and Deborah, the prayers of our entire Nation are with you, today and always. Each and every American is humbled by the sacrifice made by Blake. He served with honor and distinction, and I hope that the pride in his service and memories you carry with you will help ease the grief you feel at his loss.

S. CON. RES. 20

Mr. DODD. Mr. President, I wish to take a moment to explain why I felt it necessary to vote against the Gregg resolution on Iraq, S. Con. Res. 20, when the Senate considered this and other measures related to Iraq on March 15, 2007.

The Bush administration and the Republican leadership in Congress have been making every effort until recently to avoid any real debate on Iraq and have, at each and every step of the way, supported the failed stay-the-course strategy by conflating Iraq with the war on terrorism and by propagating a false choice concerning Iraq: according to their logic, you either support the President or you harm the troops.

I firmly reject this false choice, as I rejected the Gregg resolution which was an attempt to validate that false choice.